

STATE OF CALIFORNIA

ARNOLD SCHWARZENEGGER
Governor

Department of Alcoholic Beverage Control
Department of Corporations
Department of Financial Institutions
California Highway Patrol
California Housing Finance Agency
Department of Housing & Community Development
Department of Managed Health Care
Department of Motor Vehicles



DALE E. BONNER
Secretary

Office of the Patient Advocate
Department of Real Estate
Office of Real Estate Appraisers
Office of Traffic Safety
Department of Transportation
California Film Commission
California Office of Tourism
Infrastructure and Economic Development Bank

BUSINESS, TRANSPORTATION AND HOUSING AGENCY

February 9, 2009

Re: 2009 Urgent Regional Recovery Work Plans

Dear _____:

I recently wrote to seek your support for a set of principles we hope to have California stakeholders advocate in connection with the impending federal transportation reauthorization bill. I very much appreciate your consideration of that effort, and I'm pleased to report that we are receiving strong support from leaders and organizations throughout the State.

The more immediate federal response to the global recession also calls for enhanced focus on priorities and a collaborative spirit at all levels of government working in partnership with the private sector. We will be seeking your input and assistance throughout 2009 to ensure that federal stimulus funds are put to use quickly and efficiently in ways that will achieve short-term stimulus and support long-term economic recovery.

As Secretary of the cabinet agency the Governor has tapped to coordinate the Administration's economic development efforts, I am writing now to seek your help in identifying specific actions we can take together to preserve and expand our jobs base, help communities and businesses survive the global financial crisis and lay the foundation for economic recovery and sustained growth. Many of our on-going efforts along these lines are described in the Business, Transportation and Housing Agency's Economic Development Work Plan, which was developed through collaboration with stakeholders around the State. The Work Plan is available for your review on our website at: www.bth.ca.gov.

Two of the priority objectives identified in the Work Plan are to develop local and regional economic development strategies throughout the State and support local and regional economic development efforts. The emphasis on local and regional strategies reflects our commitment to avoid a "top down" approach and instead seek to "meet in the middle," where all levels of government work to integrate their respective strategies where appropriate.

One of our highest priorities for 2009 is to work with you and other leaders in your region to develop within the next 90 days a "regional economic recovery work plan." The plan would not replace

existing plans or strategies, but would instead reflect a collection of specific goals and steps we can take to achieve them together over the next two years.

In our view, such plans can be developed and executed urgently and effectively if they focus on strategies or initiatives that are: focused and specific, consensus-driven, and achievable without major legislation or significant new resources. They should complement and enhance, but not depend upon the outcome of the State's budget talks or the federal stimulus plan. While we understand the Governor, Sacramento lawmakers and policymakers in Washington will be working on new policies and programs to support economic recovery, we believe the urgency of the crisis compels us to remain focused on actions that can be taken immediately to help bring about a recovery at the earliest possible time. And there is much we can do if we move quickly to focus and synchronize efforts. Let me briefly describe some of the ideas under discussion and development around the State.

To Stimulate Job Growth with Infrastructure Investments

- Upon resolution of the budget crisis, resume acceleration of the transportation and housing bond programs to support the creation of nearly 360,000 jobs and introduce approximately \$61 billion into the California economy over time.
- Ensure that federal stimulus funds are put to use quickly and efficiently in ways that will achieve short-term stimulus and support long-term economic recovery.
- Begin creating a "Shovel-Ready Site Certification Program" so we are ready to attract and facilitate new jobs and revenue-generating development when the market returns.
- Proceed with preliminary planning for privately-funded Performance-Based Infrastructure.

To Support Small Business and Spur Innovation

- **Green Jobs Coordinating Council** – Work with the newly established Green Jobs Coordinating Council to identify and develop strategies and actions necessary to address the growing need for a highly skilled and well-trained workforce that meets the needs of California's emerging green economy.
- **Green Teams** – Help small business reduce energy costs up to 10% by creating a "green team" program tasked with helping businesses to be more efficient.
- **Innovation Zones** – Create "innovation zones" around the State's universities, federal laboratories and research centers to stimulate and support young innovative companies in advanced manufacturing, life sciences, information technology, and environmental or renewable energy and other such industries selected by local and regional officials. Companies in the zones would be eligible to compete for a collection of state and federal grants or financial incentives to support growth, innovation and technology transfer.

- **Innovation Fund** – Have the Small Business Loan Guarantee Program partner with private venture companies to develop and manage an “innovation fund” that would be available to early-stage startups that are finding it increasingly difficult to raise capital.

To Attract Foreign Investment in California

- Work with cities, counties and economic development corporations throughout the State to create a statewide foreign direct investment program that would target foreign firms looking to locate or expand in the U.S.

To Support California Communities Impacted by Mortgage and Financial Crises

- Continue efforts to expedite mortgage loan modifications to avoid foreclosures and leverage new federal foreclosure prevention and community stabilization programs.

In addition, my staff is working to identify major infrastructure and development projects in your region that may warrant early attention. Specific projects and the types of initiatives noted above may or may not be suitable or desirable priorities for your particular region, but they reflect substantive work that is already underway that might be accomplished more quickly and with more impactful results with the active support from you and other leaders in your region.

Again, our goal is to work with you and other leaders to develop a meaningful recovery work plan for your region within the next 90 days so that we have the greatest chance of producing results as soon as possible. To get started, we will be contacting the economic development corporation (EDC) in your county for help in collecting comments and forging consensus in your region. Brian McGowan, my Deputy Secretary for Economic Development and Commerce, will soon be contacting your EDC to coordinate further details. If you have any questions, comments or concerns in the meantime, please feel free to contact Brian directly at (916) 323-5408, or brian.mcgowan@bth.ca.gov.

Thank you again for your continued leadership and early attention to this critical effort. I look forward to a constructive dialogue about how we can move forward quickly. By working together, we can expedite economic recovery throughout the State of California.

Sincerely,



Dale E. Bonner
Secretary